

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION**

INCOME TAX REFERENCE NO. 650 OF 1998

The Commissioner of Income-tax. ... Applicant.

V/s.

M/s.Jayant Vitamins Ltd.

... Respondent.

A.S.Rao for the Applicant.

CORAM : V.C.DAGA AND J.P.DEVADHAR, JJ.

DATED : 29th March, 2005.

P.C. :

. Heard learned counsel for the applicant.

The tribunal has referred following question for the

opinion of this Court:

"Whether on the facts and in the
circumstances of the case and in view of the
provisions of section 43(1) read with
Explanation 1 to sec.80J(4), the Tribunal
was right in law in holding that the subsidy
of Rs.15,00,000/- received by the assessee
from Madhya Pradesh State Government should
not be reduced from the cost of the assets
for the purposes of granting depreciation
allowance and relief u/s.80J of the I.T.
Act?"

2. The above question has already been answered

by the Apex Court in the case of **C.I.T. v.
P.J.Chemicals Ltd.**, (1994) 210 ITR 830 (SC),
Division Bench of this Court in the case of **C.I.T.
v. Menezes Farmaco**, (1999) 236 ITR (Bom) and by the

Rajasthan High Court in the case of C.I.T. v.
Synthetic Stores, reported in (2003) 127 Taxman 500
(Raj)in favour of assessee and against the revenue.

In this view of the matter, the question referred is
answered in affirmative.

. Reference stands disposed of accordingly
with no order as to costs.
